

REPORT TITLE: CIL FUNDING FOR ST CLEMENTS SURGERY PUBLIC REALM WORKS

14 DECEMBER 2022

REPORT OF CABINET MEMBER: Councillor Jackie Porter Cabinet Member for Place and Local Plan

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WARD(S): ST MICHAELS

PURPOSE

The purpose of this report is for Cabinet to agree the funding from Winchester City Council District CIL receipts for the improvement of public realm works on the highway at Upper Brook Street, Winchester. The works will be delivered in association with the development of a new primary healthcare facility to replace the existing St Clements Surgery.

RECOMMENDATIONS:

1. That Cabinet approve budget and expenditure for a capital grant of £100,000, to be funded from the Winchester City Council District CIL receipts, for the public realm improvements associated with the construction of a new surgery and primary healthcare facility on Upper Brook Street, Winchester.

IMPLICATIONS:

1 COUNCIL PLAN OUTCOME

1.1 Tackling the Climate Emergency and Creating a Greener District

The provision of a new healthcare facility (built to the latest BREEAM standards) and the associated improvement to the public realm provides an accessible community asset in the centre of the town, which can be reached by public transport, walking and cycling. In doing so it provides the infrastructure required by the corporate priorities and outcomes within the Council Plan.

1.2 Homes for all

Much of the infrastructure that is allocated CIL funding supports both existing and new residents by providing better facilities to improve the community as a whole.

1.3 Living Well

The allocation of CIL funding to the public realm works is helping support the St Clements Surgery project as a whole and this in turn will ensure that better healthcare facilities are available to the community. Providing a modern healthcare facility designed to the latest protocols for post covid healthcare, to replace the outdated and less accessible building will help to deliver a centre of excellence in this new hub of services to support the health and wellbeing of residents.

1.4 Your Services, Your Voice

The replacement of St Clements Surgery with a new modern healthcare facility has been the subject of discussion for many years. Planning approval for a new healthcare facility to replace the existing St Clements Surgery was secured in 2016 (Reference 15/02897/FUL) which was subject to the required consultation and advertising processes. As original applicant WCC was bound to include public realm improvements over and above those that would have been required by a developer.

2 FINANCIAL IMPLICATIONS

2.1 The Council has collected over £20m of CIL receipts since adopting CIL in April 2014. After allocating funding in line with regulations, there is approximately £6.5m of CIL funding unallocated with a further £700k due for collection by March 2023. The allocation of £100k of CIL funding to support the implementation of a healthcare scheme costing in excess of £5m is considered to represent a good use of CIL funding, when considering the overall benefits to the community of the whole scheme. The CIL contribution will be paid to the developer as the public realm works commence which will be in the latter stages of constructing the new healthcare building.

- 2.2 The completed public realm works will remain with the County Council as Highways Authority who will retain responsibility for the ongoing maintenance

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 The allocation and spending of CIL funding is conducted in accordance with the protocol previously agreed by Cabinet (CAB3071) and updated by CAB3292, as well as relevant CIL Regulations and Government guidance.
- 3.2 CIL funding allocated to schemes which are progressed by a third party is not usually transferred until the works are substantially completed (as projects are rarely fully funded using CIL) However, as the public realm works are to be commenced following substantial completion of the healthcare facility, once the public realm works are commenced, the CIL payment will be made. This reduces the risk of funds having to be recovered if a scheme fails to be completed. The total cost of the public realm works for the St Clements Surgery scheme is over £250k, with the CIL contribution being less than half of the funding required to complete the works.

4 WORKFORCE IMPLICATIONS

None

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 The Upper Brook Street Car Park site is being sold on a 150 year ground lease. The advantage to the Council of retaining a freehold interest is that the land and buildings will revert to WCC at the end of the lease term and permit a further sale of the site in the future.
- 5.2 The preferred bidder is a specialist, market leading, primary healthcare developer with the necessary experience and resources available to acquire the site and meet the Council's aspirations for the provision of a new City Centre medical centre. Without a funding contribution towards the public realm works, the new surgery development is at risk.
- 5.3 The CIL allocation will help to fund public realm improvements to the public highway and footpaths adjacent to the new healthcare building and across the road, to the area fronting the retail parade. The works fronting the retail parade, include a new pavement and the provision of a new lay-by for use by customers and deliveries to the shops. Hampshire County Council, as highway authority was consulted as part of the planning application. The ongoing maintenance will continue to be the responsibility of the County Council as it is at present.

6 CONSULTATION AND COMMUNICATION

- 6.1 The proposal for a new healthcare facility to replace the existing St Clements Surgery has gone through numerous stages of consultation to reach agreement, although not necessarily in relation to the allocation of CIL funds.

- 6.2 The bid for £100k of CIL funding was made by the City Council and was considered and recommended for funding by the Informal CIL Panel in accordance with the current agreed protocol. The CIL Panel includes the Cabinet Member for Place and the Local Plan and the Cabinet Member for Community and Housing as well as Strategic Directors.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 Replacing the existing sub-standard St Clements surgery with a new location for the health facility in the city centre will mean that it remains accessible to a wide section of the local community. During the design process careful consideration was given to the impact of the design on the neighbouring environment. The site will be built to include a biodiversity net gain.
- 7.2 Access to the health facility will be encouraged by foot and public transport, minimising emissions and air quality issues from car transport to the site. Parking on-site will be limited to minimal requirements to ensure disabled access. The improvements to the public realm will help to enhance the walking environment in the immediate vicinity of the new facility.

8 PUBLIC SECTOR EQUALITY DUTY

- 8.1 The location of the health facility in the city centre and the proposed public realm improvements will enable much needed health services to be accessed by a wide range of the community including those reliant on public transport.
- 8.2 In relation to Article 1 of the First Protocol of the European Convention of Human Rights, it is in the public interest to continue to facilitate this development and the associated public realm works as it is important to the continued well-being of residents both in the immediate community and those reliant on public transport to access the facility.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None required for the consideration of this report in relation to the allocation of CIL funding.

10 RISK MANAGEMENT

The table below outlines the risks in alignment with the Councils risk appetite.

Risk	Mitigation	Opportunities
Financial Exposure The allocated CIL funding is not sufficient to fund the works required (this could be due to	A fixed amount of CIL has been agreed with the developer to meet the remainder of the cost	The CIL funding agreed has enabled the entire scheme to progress

inflationary pressures)		
Exposure to challenge If CIL funds are not spent in a timely manner or in accordance with the CIL Regulations and government guidance	The allocation of the CIL funding has been assessed against agreed criteria and has been agreed to support the development of vital infrastructure in accordance with the protocol, government guidance and the CIL Regulations. The timing of the scheme has been agreed with the developer	
Innovation N/A		
Reputation Failure to deliver the scheme using CIL income could damage the council's reputation	The public realm works are a small part of the overall scheme to deliver the healthcare facility which is being progressed by a health care developer	
Achievement of outcome The project is not delivered	CIL funding allocated to schemes which are progressed by a third party is not transferred until substantially completed.	

11 SUPPORTING INFORMATION:

- 11.1 The recommended option is that Cabinet approve a capital budget and expenditure of £100,000 to be funded from the Winchester City Council District CIL receipts as a contribution towards the public realm improvements associated with the construction of a new surgery and primary healthcare facility on Upper Brook Street, Winchester
- 11.2 The council has long held an aspiration to support provision of improved healthcare premises in the city centre. Under CAB2964 12th Sept 2017, cabinet authorised the development of the surgery.
- 11.3 As a result of the Pandemic, Brexit and the current economic climate, construction costs have increased dramatically. This has imposed significant constraints and risks upon delivering a new surgery and has required the developer to value-engineer the scheme to maintain what is now very

marginal financial viability. This is an exceptional site and opportunity, and these are exceptional circumstances that justify the allocation of CIL funds towards the public realm costs, particularly since a significant element of the public realm works is for the benefit of the retail parade on the opposite side of Upper Brook Street.

- 11.4 Planning approval for a new St Clements medical centre secured in 2016 (planning reference 15/02897/FUL) incorporated improved public realm works either side of Upper Brook Street at the junction with Friarsgate. A significant amount of improvement works are for the benefit of the retail parade on the other side of Upper Brook Street, including new paving, planting and a drop off and delivery bay outside the retail parade. These works were approved by Hampshire County Council as part of the planning approval process.

12 OTHER OPTIONS CONSIDERED AND REJECTED

- 12.1 Direct development of the St Clements Surgery by the council was considered but was rejected due to the unacceptable risk of cost escalation and delay.
- 12.2 Not providing a £100,000 contribution towards public realm works was considered and rejected because it jeopardised the developer's ability to deliver this important primary healthcare facility.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

CAB3277 Upper Brook Street car park site sale – 16 December 2020

CAB 3180 Replacement GP Surgery update – 17 July 2019 (part exempt)

CAB 2964 Replacement Doctors Surgery, Winchester - 12 September 2017 (part exempt)

CAB 2786 St Clements Doctors Surgery, Winchester - 29 March 2016 (part exempt)

CAB 2709 St Clements Surgery, Winchester - 17 September 2015 (Exempt)

CAB 2609 Silver Hill Update - 10 September 2014 (part exempt)

Other Background Documents:-

Minutes of the Informal CIL Panel Meeting on 7th November 2022

APPENDICES:

None